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DENIAL IN THE DECISIVE DECADE: TOWARDS INTERVENTION AND COMMON ACTION

SANDRA POSTEL

We have witnessed a year of extraordinary change in the world. We have seen that, almost overnight, the Soviet brand of communism has crumbled beyond repair and the Cold War, which was the ideological conflict that defined global politics for forty years, has essentially come to an end. These changes were extremely striking and they were very fast, but I think that now we can safely say that they are but a foretaste of the kinds of changes we will see during this decade, if we are to hold on to some kind of hope that we are going to have a better world in the future.

Everywhere we look today there are signs that the global economy is not sustainable, that it is destroying the natural resources and the environmental systems that it depends upon. I would like to just spend a minute to run down a few of these environmental trends that are underway as we have been monitoring them at the Worldwatch Institute in order to make people aware of them each year in the "State of the World" reports.

First of all, in the heavily populated latitudes of the Northern hemisphere, the ozone shield is now thinning at a rate twice as fast as scientists thought just a few years ago. This is new evidence just coming in from NASA (the National Aeronautics and Space Administration, USA). Then earlier this month, scientists reported record levels of chlorine chemicals (ozone destroying chemicals) above the Northern hemisphere, which raises the possibility of an ozone hole beginning to open over the United States, Canada, and much of Europe in the same way that it opens each year over Antarctica.

We are losing biological diversity at a record rate in geological terms. A minimum of 140 species are condemned to extinction each day, and that is a conservative estimate of the best estimates available. That amounts to about 50,000 species per year condemned to extinction.

Atmospheric levels of carbon dioxide, the leading heat trapping "greenhouse gas" in the atmosphere that is contributing to global warming, are 26% higher than the pre-industrial concentration was, and they continue to climb each year.

The Earth's surface temperature was warmer in 1990 than any year previously recorded in about 140 years of temperature records for the Earth. And 1991 was the second warmest year on record. What we have seen is that six of the seven warmest years in the entire record of Earth temperatures have occurred since 1980.

We see forests disappearing at an estimated rate of 17 million hectares (or about 43 million acres) per year--an area about the size of Finland.

World grain production per person, which climbed 50% between 1950 and 1984, has (since 1984) been diminishing at an average rate of 1% per year, with the drop being concentrated in poorer countries. And, finally, world population is growing at a rate of 92 million people per year. This is roughly equal to adding another Mexico each year. And of

this number, 88 million are being added in the developing world. Now I think any one of these trends, should they continue, has the potential to undermine society as we know it today--any one of these trends, not to mention several. The global economy, in a sense, is beginning to act like an auto-immune disease, beginning to destroy the very life. support systems that keep it healthy and functioning. I think it is clear now that the piecemeal approach to environmental protection (the idea of passing a new air quality law here, a new water pollution control law there) is no longer sufficient to deal with the magnitude of threats we are now facing. Despite the formation of environmental protection agencies in 115 countries over the last 20 years; despite the passage of, literally, thousands of environmental laws during this period of time; and despite the signing of around 170 international environmental agreements, we are still seeing the planet's health deteriorate at a record rate.

We definitely need more than fine-tuning. If we are going to reverse these trends we are going to have to see more fundamental shifts and restructuring in our global economy. We are talking about a shift from fossil fuels to efficient solar-based energy systems; we are talking about new transportation systems and city designs that reduce our dependence on the automobile. We are talking about new forms of agricultural production that reduce our need for pesticides and that conserve water and soil. We are talking about a rapid transition to smaller families to reduce population pressure on the planet. We are also talking about reduced consumption of resources by the richer countries (and by the richer people) in order to make room for higher living standards for poorer people. And, most fundamentally, I think we are talking about a new set of values and a new vision of what "progress" is really all about.

This sounds fairly radical and I think it is fairly radical. In fact, if you really think about what we need to do to reverse the environmental trends that are undermining our future, it adds up to nothing less than a revolution, in the strictest sense of the term--a major social and economic transformation that will rank with the cultural and industrial revolutions as a major turning point in human history. That's if we succeed.

But, if we do succeed, it will differ from these two earlier periods in a fundamental way: whereas the agricultural revolution began 10,000 years ago (and in some sense it is still unfolding) and the industrial revolution has been with us for a couple of centuries, we are going to have to compress this "environmental revolution" into a few decades if we are going to avoid irreversible damage to the planet.

Psychology as much as science is going to determine what happens, because taking action really depends on overcoming one of the most powerful reactions that we, as humans, tend to have. And that is denial--the tendency to say the problem is not so great and that we can get by with just fine-tuning. It is a very powerful reaction and all of us experience it to varying degrees and I think we are experiencing it now as a global community when looking at these environmental trends and not believing that they are as serious as they are. We need to have something intervene and shake us up to make us realize that we do need to begin making major changes.

It may, in fact, happen this year in the form of the United Nations conference that was mentioned earlier this morning. For the first time in 20 years people from all over the world, including scientists, government leaders, many heads of state, and activists, are going to gather in Rio de Janeiro, Brazil, for the United Nations Conference on Environment and Development. It has been called the "Earth Summit" and I think it is an historic opportunity for the global community, the community of nations, and individuals to recognize that we are going to have to make some dramatic course corrections if we are going to get on a sustainable path.

So what are some of the key components of this transformation: what needs to be done to launch this environmental revolution if we do get serious about it? **First**, there is a need for a new partnership between the so-called "North", the wealthier countries, and the "South", the developing countries. This partnership should recognize that there are really three main forces that are driving the environmental deterioration of the planet: high rates of resource consumption, high rates of poverty, and high rates of population growth.

Unfortunately, very few of the wealthier countries have openly acknowledged that they have caused most of the damage to the global environment so far; that the threats of climate change and ozone depletion are largely due to the activity and the economies of the wealthier countries. We have not owned up to the fact that these countries have an ecological debt to pay to the world at this point and that they, therefore, have the responsibility for underwriting most of the transition to a sustainable economy. Rich countries are not yet saying this and it is becoming a major problem. The United States, in particular, has been very intransigent on this, not at all owning up to its responsibility with regard to these issues. It has not even been willing to set small targets for reducing its emissions of carbon dioxide, the leading greenhouse gas, and has not been willing to even think about more financial transfers to developing countries.

Developing countries, for their part, are suspicious that many of the international negotiations that are going on, and all the international concerns about environment, are really just another ploy on the part of the wealthier countries to keep them economically disadvantaged, to prevent them from developing in the same way that the richer countries have. So what we have, at the moment, is a stalemate.

And yet, that the poor countries and the rich countries desperately need each other's cooperation. Reversing the planet's environmental decline is going to require a more equitable sharing of resources and a reduction of poverty. We have a world today in which one in three children is malnourished. 1.2 billion people lack safe water to drink. We have a world today in which one billion adults cannot read or write and so remain trapped in poverty. People worried about feeding themselves on a day to day basis simply cannot afford to worry about how clearing some tropical forest to plant crops is going to damage the global climate in the future or how it might reduce the number of species in the future. They have to feed themselves today. So poverty and environmental deterioration are very tightly linked.

Today 85% of the world's income is going to just 23% of the world's people. Meanwhile we have 1 billion people surviving on less than 1 dollar per day. I think what this adds up to is that we can no longer separate the future habitability of the planet from the current distribution of wealth. We are going to have to see some major changes in this area if, as a world, we are to come to grips with environmental deterioration.

This new partnership between richer countries and poorer countries will translate into such things as more debt relief, more development aid, and more transfers of technology to help developing countries make environmentally sound investments. Unfortunately, on virtually all of these fronts, we are falling way short of the mark of what is needed. If you look at the foreign aid budgets of the industrialized countries, there is just a handful of them which currently allocates the targeted level of 0.7% of the GNP as foreign aid. Just four countries are meeting that target: Denmark, the Netherlands, Sweden, and Norway. If you look at the United States and its level of foreign aid, it is 0.2% of its GNP. That is appallingly low. In addition to this, much of US aid and that of other industrialized countries is not going to support sustainable development, but rather is being used for various strategic and political purposes.

We have seen, within the last year, at least one noteworthy move to provide more developmental assistance from developed to developing countries: the "Global Environment Facility", managed by the World Bank in association with two UN agencies. The idea of this facility is to invest about 1.3 billion dollars over the next three years in projects in developing countries that would aid the global environment. It is focusing mainly on protecting the global climate, protecting the ozone layer, protection of international waters, and protection of biological diversity. You have to wonder, though, given the World Bank's poor environmental record, whether this new facility is going to promote the kind of sustainable development activities that we need to see and, therefore, whether it will act as a stepping-stone to a larger fund. That remains to be seen.

A second important step is a fundamental reshaping of priorities at the national level. I am speaking, in particular, of a shift away from military spending in both industrial and developing countries towards a whole new set of environmental, social, and health measures. We are now spending 980 billion dollars world-wide on the military each year, which amounts to 185 dollars per person. This level of spending is, I think we would all agree, way out of line with the magnitude of military threats. Meanwhile, we are not spending nearly enough on a whole range of environmental and social programs and issues which are threatening our future much more than external military aggression at the moment. World-wide, for example, we are only spending 4.5 billion dollars per year on family planning assistance to help

slow population growth. With the ending of the Cold War, we now have a tremendous opportunity to begin re-allocating resources, to bring military budgets into line with realistic military threats. This would release a tremendous amount of additional funds for things like energy efficiency, tree planting, forest protection, family planning assistance, provision of safe drinking water, and so forth. The United Nations Development Program has estimated that if we allocated just 2% of current military spending (about 20 billion dollars per year), we could provide everybody in the world with primary health care, education, family planning services, safe drinking water, and adequate nutrition. Of course it would take much larger shifts out of the military budget into other sectors if we are going to deal with the whole range of other environmental issues. It has been estimated that in the United States, for example, just cleaning up the nuclear weapons facilities may cost a total of 300 billion dollars. That is a mind-boggling figure.

The bulk of global military spending has occurred in the industrial countries, but I think the military expenditures in the developing countries are particularly wasteful in terms of draining resources that are desperately needed for other reasons. If you look at the budgets of many Third World countries, you'll find that many governments are spending twice as much on the military as on health or education. A few countries (Angola, Pakistan, and Iran) are spending twice as much on the military as on health and education combined. In the industrial world, we have 3.3 soldiers for every one doctor, whereas in the developing world the ratio is 8.4 soldiers for every one doctor. So the second step would be revamping our spending priorities and beginning to make them reflect the fact that the real threats to our security now lie much more with poverty and environmental degradation than they do with the possibility of external military aggression.

The third thing I think we need is a new set of goals for national economies and a new set of criteria for measuring what we call "economic progress". Economic wealth, as measured by a country's GNP, continues to be our key indicator of progress, even though we have seen that it is steadily destroying natural resources and the environmental systems that the economy depends upon. The accounting methods that are used to arrive at the GNP almost completely ignore the destruction of natural assets, like forests, soils, water supplies, and so forth. And so, what you have is the possibility of a country being on the brink of ecological bankruptcy and still registering growth in its GNP. So it is a very poor guide for measuring progress in a sustainable economy. As World Bank economist Herman Daly has put it: "There is something fundamentally wrong in treating the Earth as if it were a business in liquidation". But that is exactly what we are doing. We are cutting and selling trees and registering the proceeds from the sale of those trees as a profit, as income, but we are not subtracting anything for the loss of the forest. And so what we have is a case of continuing to whittle away our natural assets and registering income, but not recognizing that down the line we are going to suffer dramatic economic consequences from the loss of those natural assets. So one thing we need to do is fundamentally to rethink GNP and how we calculate it, and make it a better measure of our well being.

One of the best attempts I have seen, so far, to come up with a new economic indicator is that of Herman Daly and a theologian named John Cobb. They developed something called the "Index of Sustainable Economic Welfare" which they applied to the United States. What it tries to do is measure progress in a more comprehensive way, in a way that better reflects human well-being in its broader sense. For instance, it makes subtractions for air and water pollution as well as for the loss of forests, wetlands, and other natural assets.

It is interesting to compare the conventional GNP with this Index of Sustainable Economic Welfare over the period 1950-1988. They track fairly well up until the mid or late sixties, although the sustainability index is a bit lower, but then they start diverging. After 1976, the sustainable welfare index starts to decline, falling 12% by 1988, while the GNP keeps on rising. So in the mid-seventies in the United States, another unit of GNP actually began to cost more than it was worth to human well-being because of the environmental damage it was causing. (Another example of an alternative indicator is the Human Development Index that Dr. Bishay mentioned.)

We all know that human well-being depends on much more than producing and consuming things valued in a marketplace. Good health, satisfying work, a sense of community, freedom of expression, equal opportunity, and a healthy environment contribute to our overall welfare as much as income does--sometimes more so. So what we need are indicators of progress and well-being that reflect their many dimensions--rather than continuing to pursue blindly more growth in the GNP.

The final major step that is necessary is an overhaul of national fiscal policies--including, in particular, government subsidies and tax policies--in order to make them work for rather than against the goal of achieving an environmentally sustainable economic system. Collectively, governments are spending tens of billions of dollars to promote economic activity that is environmentally destructive--heavy use of pesticides, excessive use of irrigation water, unsustainable logging of forests and so forth. Removing these subsidies would not only reduce environmental damage, it would put some money back in national treasuries.

Probably the single most powerful instrument for steering the economy toward a sustainable path is tax policy. Most prices in today's marketplace fail to tell the ecological truth because they do not incorporate environmental damage--when we fill up our gasoline tanks we don't pay for our contribution to acid rain, carbon dioxide emissions, urban smog, and so forth. So what we have proposed at the Worldwatch Institute is a fundamental shift in the tax base away from income and toward a new set of environmental taxes. The idea is to tax those things we want to see less of--such as pollution and resource depletion--and ease taxes on work and capital, which are not inherently bad for the economy. The total tax burden would stay the same. But the effect would be to begin steering private investments toward more ecologically sound activities--more investments in solar power and less in coal, for instance, and more in mass transportation and less in the automobile. Just within the last year or so, Europe has taken the lead on this idea. Sweden is overhauling its tax policy along the lines I just described--reducing income taxes and adding a new set of energy and environmental taxes. Its plan will end up shifting about \$3 billion from income taxes to environmental taxes.

Even more important, the European Community is considering an energy tax equal to \$10 per barrel of oil to be phased in over the course of this decade as a way of reducing its contribution to carbon emissions and global warming. The tax would start at the equivalent of \$3 per barrel and rise by \$1 a year until it hit \$10. So by the time it was completely phased in it would raise the 1991 market price of \$20 per barrel by half. Most of the EC's energy, environment, and finance ministers support the idea, though there are still a number of difficult details to work out--including whether the new tax should be offset by reductions in other taxes, and if so, how. Implementation of the tax has been stalled, however, in large part because of European fears of being placed at a competitive disadvantage since the United States does not support such a tax.

We cannot yet point to a nation, province, or state that has a comprehensive sustainable development strategy in place. But here and there, we are beginning to see some steps in the right direction. Germany, a long-time coal producer, has committed itself to reducing its carbon emissions by 25% by the year 2005. Australia, Austria, Denmark, and New Zealand are close behind, each having pledged to cut carbon emissions by 20% by 2005. The United States, a stumbling block to progress on most issues, has at least moved forward on protecting the ozone layer. In February 1992, the Administration decided to support a more rapid phaseout of the chlorine chemicals causing depletion of the ozone layer. Instead of phasing out completely by 2000, they'll be phased out by the end of 1995. The US move has inspired other countries to step up their phaseout plans as well.

In late 1991, Brazil's president Fernando Collor de Mello set aside two large Amazon forest reserves for native Brazilian Indians--one slightly larger than Switzerland (for the Kayapo) and another roughly the size of Portugal (for the Yanamami). Meanwhile, local communities in the Brazilian Amazon are attempting to manage tropical forests sustainably for rubber, nuts, and other products, and have succeeded in getting the government to set aside 3 million hectares (or 7.5 million acres) as "extractive reserves" for them to use. These initiatives show an unprecedented commitment to tropical forest protection--and we can only hope that commitment will remain following the U.N. Conference in Brazil.

In the corporate world, we can point to Southern California Edison, an investor-owned energy utility with about 10 million rate payers, which plans to invest heavily enough in energy efficiency in the coming years to reduce its carbon emissions by 19% over the next two decades.

So what we are seeing here and there are glimpses of what it will take to reverse the degradation of the planet, and put the global economy on a sustainable track. But so far, the efforts are too few in number and too small in scale. We have the technologies necessary for the Environmental Revolution to succeed. But what is lacking is a new way of thinking and a new set of criteria for guiding decisions. The basic questions are the same for government policymakers, corporate planners, and individuals making choices about their lifestyles: Does this decision or action increase or decrease carbon emissions? Does it increase or reduce the generation of waste? Does it protect forests or contribute to their destruction? Does it lead to more or less air pollution and acid rain? The basic questions are the same for every type of decision--but we need to start asking them with every decision we make.

We've seen in the last couple of years that extraordinary change is possible when enough people grasp the need for it and become willing to act. Now the question is, who will be the Gorbachevs of the Environmental Revolution? Who or what is going to intervene in our collective denial and spark the needed changes?

These are difficult questions. But one thing is for sure: the nineties will be a decisive decade for the planet and its people--for better or for worse.¹

¹ For elaboration of some of these points, see Lester R. Brown, Christopher Flavin, and Sandra Postel, Saving the Planet: How to Shape an Environmentally Sustainable Global Economy (New York: W.W.Norton Co., 1991).